

February 23, 2009

Senator Eileen M. Daily, Co-Chair
Representative Cameron C. Staples, Co-Chair
Finance, Revenue and Bonding Committee
Legislative Office Building, Room 3700
Hartford, CT 06106

Dear Senator Daily, Representative Staples and members of the Finance, Revenue and Bonding Committee,

As Mayor of the Town of Stratford I am deeply concerned that the General Assembly is considering a repeal or substantial reduction to the film and digital media tax credit program.

As I write this letter, the United States Army is planning to transfer in the next several weeks, the Stratford Army Engine Plant, 78 waterfront acres at the mouth of the Housatonic River's confluence with Long Island Sound, to Hollywood East/Area 51, LLC, who plans to turn the former airplane and tank engine factory into a state of the art film and digital media studio.

Hollywood East/Area 51, LLC has been working on this project for at least two years and I know that the film and digital media tax credit is a substantial factor in their business model that will invest tens of millions of dollars into building the infrastructure of these new state of the art studios and ultimately create thousands of jobs.

The Stratford Army Engine Plant has been dormant for over 12 years. It once employed up to 10,000 people in the greater Stratford/Bridgeport/Milford/Valley region with high paying jobs and was Stratford's, the states 17th largest municipality with 50,000 citizens, second highest taxpayer.

The timing of this proposed reduction in the film and digital media tax credit program could not be worse for our state, region and especially the Town of Stratford. We know all to well that we face unprecedented economic uncertainty in the nation and state. However, the short-term loss of revenue from the current film and digital media tax credit program is necessary as Connecticut establishes itself as a player in the entertainment/film/digital media industry. The long-term benefit of establishing this new industry will yield both the creation of new jobs and increased tax revenue in the not too distant future.

To date, the film and digital media tax credit program has attracted more than \$600 million in production investment to the state, companies are locating here because of it, and jobs are being created.

Now is not the time to change course as we are building a new industry in Connecticut.



Finance, Revenue and Bonding Committee
February 23, 2009
Page 2 of 2

Economic studies demonstrate that the tax credit is an incentive that works:

- a. **New York:** tax credit generates 19,500 jobs -- 7,000 direct production jobs and 12,500 from directly related economic activity. State yields \$404 million in tax revenue, at a cost of \$215 million in credits. *[Source: Ernst & Young; Prepared for the Motion Picture Association of America and the film office of New York State, January 2009.]*
- b. **New Mexico:** tax credit created total employment of 9,210 jobs. State receives \$1.50 in tax revenue for every dollar invested in production tax credits. *[Source: Ernst & Young; Prepared for the New Mexico State Film Office and State Investment Council; January 2009]*
- c. **Massachusetts:** \$545 million spent on film production yields economic impact of \$1.36 billion. Cost to state is five cents for every new dollar of economic activity. *[Source: Massachusetts Film Office; www.mafilm.org; January 2009]*

The success of the Stratford Army Engine Plant's transformation from a 20th century industrial factory to a 21st century state of the art film and digital media studio will be jeopardized if the tax credit is diminished or eliminated.

This would not only be a devastating hardship to the citizens of Stratford but to the greater Stratford/Bridgeport/Milford/Valley region and to the entire state.

I urge you to oppose reducing or eliminating the film tax credit, and to strongly support the current program as an effective economic and jobs creation tool for not only the citizens of the Town of Stratford but for the entire state.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ja R. Miron" followed by a stylized flourish.

Mayor James R. Miron
Town of Stratford